

COMPENSATION SCHEME



MINISTRY OF REHABILITATION
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A claimant getting petition prepared by a professional petition writer.

CHAPTER I

Introduction

Year 1947—Major Upheaval

The joy of independence was tempered by the sorrow of partition of India. To those who had looked forward to a new era of peace and prosperity, partition of the country came as a personal disaster. True, the problem of mass migration of populations from one country to another is not unfamiliar in the recent history of international strife and instances can be found wherein other countries too have witnessed the painful sight of large masses of innocent men, women and children being driven from their homes under the dictates of political exigencies or military compulsion. But these upheavals, tragic as they are, look small when compared with the human earthquake which rocked parts of the Indian sub-continent in 1947.

New Citizens—5 Millions of them

Events which followed the partition of India, although more than 14 years old now, are still fresh in minds. Country-wide disturbances involving killing, looting, rape and arson set off a chain of mass migrations—an irresistible flood of human beings—in which about 5 million people fled from West Pakistan with whatever they could salvage from the ruins of their homes. The resulting refugee problem was, both in magnitude and complexity, without parallel in the human history.

Evacuation

These tragic and terrible happenings compelled practically the entire Hindu and Sikh population of West Pakistan to migrate to India. Their whole-sale evacuation soon after the partition became inevitable and was accepted as a state responsibility. All available resources were mobilized to effect speedy evacuation, including a fleet of planes of B.O.A.C. Within 2-3 months of the partition, as many as 3 million people were brought to India under governmental care. People travelled by planes, trains, military lorries, cars, bullockcarts and even on foot in convoys. A Military Evacuation Organisation was set up in September, 1947 with headquarters at Amritsar to be in charge of the evacuation operations. The object of this Organisation was to evacuate in the shortest possible time the maximum number of non-Muslims from West Pakistan. By

the end of December, 1947, mass evacuation (except from Sind) was practically over and by 31st December, 1948, all but a small number of Hindus and Sikhs in Western Pakistan, had been evacuated. The enormity of this task would also be apparent from the fact that an expenditure of Rs. 4.63 crores had to be incurred only on the operations of evacuation.

Relief Measures

When the refugees, tired and deprived of their belongings, touched the Indian soil, a vast majority of them were in great physical, mental and economic distress. The first and the most urgent task was to feed them, give them clothes and roofed shelter, look after the old and infirm, to take care of the sick and the diseased and to take steps to prevent epidemics that normally follow in the wake of such upheavals. Relief camps were hurriedly set up all over India where accommodation was provided mostly in tents and rations, clothing etc. supplied free. Military Camps constructed during the war time were also taken over from the Defence authorities for this purpose. At one time the number of such refugee camps was about 300 and the number of refugees on the dole reached the peak figure of nearly one million in May 1948. Hospitals, dispensaries, schools, work centres, etc. were also set up in these camps. To give an idea of the expenditure that the Government was incurring on the refugee camps, taking a conservative estimate of a paltry sum of Rs. 1/- per displaced person per diem, the daily expenditure amounted to the colossal figure of Rs. 1 million and the total cost to Government of these operations was Rs. 52 crores.

From Relief to Rehabilitation

Early in 1949 it was decided to disband the refugee camps as it was thought that the object of providing relief to the displaced persons had been achieved. This course was imperative for the Government because first, the expenditure on the camps proved a heavy drain on its resources and secondly, prolonged idle stay of the displaced persons in camps would have resulted in the loss of their morale. The process of the winding up of the camps was implemented gradually and by the end of 1949-50, most of the camps were closed. The State Governments were asked to concentrate on the more important problem of permanent resettlement of the displaced persons so as to restore their morale and to assist them in leading once again a normal life.

The rehabilitation of such a vast number of the displaced persons having diversified occupations and activities in West Pakistan, was

indeed a very complicated and stupendous task calling for sustained concerted effort and enormous amount of money. Notwithstanding these obstacles, the Ministry of Rehabilitation embarked on ambitious long-term plans and programmes for their rehabilitation. Construction of houses was undertaken in various States on a large scale, hundreds of thousands of acres of land were allotted to the agriculturists for cultivation, top priority was accorded in the matter of employment, arrangements were made to educate the young, loans were sanctioned for starting business etc., facilities were provided for vocational and technical training, new townships and colonies were constructed and old ones developed for providing housing, medium and small scale industries were set up to assist the displaced industrialists and to increase the avenues of employment, grants were sanctioned to disrupted educational, medical and cultural institutions as also to non-disrupted institutions catering mostly to the needs of the displaced persons. All this was accomplished at a cost of over Rs. 130 crores.

From Rehabilitation to Compensation

After rehabilitation the next stage was that of compensating the displaced persons for the losses suffered on account of the immovable property left behind by them in West Pakistan. The process of compensation was the final phase of the effort made both by the Government and displaced persons to absorb the millions who had fled from West Pakistan into the life and economy of India.

Fulfilment of a Promise

There is no denying the fact that quite a large number of the displaced persons left behind valuable property in the form of fertile lands, prosperous business and factories, cinemas, houses and hotels, etc. From the very beginning it was felt that the rehabilitation of these displaced persons will not be complete without some compensation for the property abandoned by them in Pakistan. In 1949, the late Shri Gopaldaswami Ayyangar, then Minister for Railways & Transport gave an assurance on behalf of the Government of India that the displaced persons would be paid compensation for the properties they owned in West Pakistan which they had per force to leave behind. Converting this assurance into a practical scheme was, however, not an easy task not only because of its enormous size; but also because there were certain other complications like the title deeds and other documents of ownership having been left behind by the displaced persons in Pakistan.

Assessment of Claims

The first step was to set up a machinery capable of tackling the assessment of claims. The torrent of displaced persons had moved in fairly well-defined channels—into the East Punjab, Delhi, Uttar Pradesh and Rajasthan, but smaller streams and eddies had found their way into the remotest corners of India—into Bihar, Madhya Pradesh, Mysore, Hyderabad, Bengal and even into remote Tripura and Assam. This countrywide dispersal of displaced persons meant that the work of assessment had to be done in the field and in every corner of India where displaced persons had settled.

In 1950, the Claims Act was passed and claims were invited from displaced persons for all immovable property left behind in West Pakistan (excluding agricultural land, which was dealt with under a separate scheme). By the middle of 1950, hundreds of thousands of people had filed claims and on July 1, 1950, began the work of registering these claims. More than 300 registration centres were set up for this purpose in the States and by the end of November, 1950, the registration of claims, except for stragglers, was completed.

After registration came the more difficult task of verification. This work was entrusted to an Organisation headed by a Chief Claims Commissioner and consisting of 264 Claims Officers and their administrative staff, as well as a large organisation at the Headquarters. More than 5,35,000 claims were registered and the property involved amounted to more than a million buildings.

It took nearly three years for the Claims Officers to complete the task of hearing hundreds of thousands of claimants and their witnesses and of verifying these claims. In all about 3,90,000 claims for lands and houses were verified. The total value of these verified claims amounted to Rs. 500 crores.



Hearing of complaints in the office of the Chief Claims Commissioner.



A portion of the Record Room of the office of the Chief Claims Commissioner.

CHAPTER II

Resources and Broad Principles for the Payment of Compensation

Having assessed the losses, the Government was faced with the question of evolving a scheme by which these losses could be compensated for. The correct and practical solution of the problem involving lakhs of properties was for the two countries, India and Pakistan, to agree to a Government-to-Government settlement, each Government taking the over all evacuee property within its territory and striking a balance-sheet after working out approximate values. The debtor country would then have paid to the creditor country in accordance with an agreed arrangement and over an agreed period of time. The principle of Government-to-Government settlement was accepted in the matter of agricultural lands, as far back as in 1948. Again in the matter of movable property, agreements had been arrived at on Government-to-Government basis. Then why an exception in the case of evacuee property? Settlement on Government-to-Government basis was the best, practical and equitable method for the evacuee urban immovable property also.

This view was pressed hard by India's representatives in various conferences between the two countries but Pakistan was not only indifferent but also adamant. It even went back on the agreement about the agricultural lands. The reason for Pakistan fighting shy of a Government-to-Government settlement is obvious. The value of evacuee urban property left by migrants from Pakistan amounted to over Rs. 500 crores while the value of such property left by Muslims in India was only Rs. 100 crores. The gap was too large for Pakistan to bridge.

On the other hand, the Government of India could not afford to wait indefinitely. Discontent and frustration amongst the displaced persons at the delay in payment of compensation had been mounting. The properties were fast deteriorating and falling into a state of disrepair. The cost of management and administration of these properties was very heavy, about Rs. 30 lakhs per year. The last and not the least, early distribution of compensation was bound to have a good psychological effect on the displaced persons and help in their rehabilitation.

Therefore, simultaneously with the work of verification of claims, the work of valuation of evacuee property in India was taken in

hand, and an estimate of the bulk value of urban evacuee property was prepared after conducting sample valuations in all States where there were evacuee properties of substantial magnitude. It was estimated that including rent, the evacuee property would be worth about Rs. 100 crores.

The question of utilising all this property for paying compensation to displaced persons was discussed in detail with the representatives of the State Governments as well as those of the displaced persons through the committee presided over by Dr. Bakshi Tek Chand. In the light of these discussions and the data collected, a scheme for the payment of compensation was prepared in January 1953 and submitted to the Cabinet.

In May 1953, the Cabinet approved in principle the payment of compensation from the evacuee property in India and also decided that the loans already advanced to refugees from Western Pakistan, the properties built by the Government for their rehabilitation and the provision already made for rehabilitation for the future under the Five Year Plan or otherwise, should be utilised for giving rehabilitation grants to displaced persons needing help. The Cabinet was of the view that in any scheme drawn up for this purpose, the question of compensation should be kept separate from the question of rehabilitation as such and that whereas the compensation to be paid to the refugees should be confined to the utilisation of the evacuee properties in India as well as any amount realised from Pakistan on account of the difference between the values of evacuee properties in the two countries, the rehabilitation grants should be given out of the Government contribution in the form of expenditure incurred on the grant of loans and construction of houses, shops etc.

The Cabinet was also of the opinion that, while final decision in the matter should be taken only after the Indo-Pakistan talks were concluded, action on the lines indicated above, which would not prejudice negotiations with Pakistan, might be taken in the meantime.

The value of the evacuee property, as mentioned above, was assessed at Rs. 100 crores and the Government contribution in the form of loans and government built property, Rs. 85 crores (subsequently computed at Rs. 82 crores). The total amount thus available for distribution was Rs. 182 crores plus the difference between the values of evacuee properties in the two countries if and when Pakistan agreed to make good the difference.



Shrimati Purabi Mukherjee, Deputy Rehabilitation Minister, West Bengal giving a bank draft to a Sindhi widow claimant.

CHAPTER III

Interim Compensation Scheme

When the above decisions were taken in May 1953, there were indications that it might be possible to settle the outstanding issues in regard to evacuee property and other matters between India and Pakistan. A final decision on the scheme was, therefore, postponed. The fresh negotiations that were started in July 1953 did not, however, hold out any promise of immediate settlement. It was also apparent that a scheme to pay compensation to nearly 5 lakh persons would take a considerable time. On the other hand, there were certain categories of displaced persons who were in need of immediate assistance and who could not be expected to wait indefinitely for a settlement of their claims. To provide relief to these vulnerable categories, the Government sanctioned on November 5, 1953, an Interim Scheme of Compensation. Pending the enactment of suitable legislation, this Interim Scheme provided for the payment on a provisional scale compensation, to old men and women, to those in receipt of maintenance allowance or living in homes and infirmaries or in receipt of cash doles, to widows and to persons living in new townships and mud huts in Punjab.

The scheme provided for payment on a sliding scale. The amount of Rehabilitation Grant in the case of very small claimants was proportionately higher than in the case of bigger claimants.

The first payment under the scheme was made on November 28, 1953. The total number of persons benefited was about 79,000 and the amount paid to them exceeded Rs. 20 crores. The experience gained in dealing with claimants under the Interim Compensation Scheme was of great value in formulating the principles and procedure which governed the final scheme of compensation.

CHAPTER IV

Final Compensation Scheme

The Government of India became convinced in 1954 that no useful purpose would be served by delaying final payment of compensation until after the Indo-Pakistan talks on the subject of evacuee property were completed. These talks had been going on for over 6 years but unfortunately nothing tangible had resulted even though the Prime Minister of India had personally taken a hand in the matter in the summer of 1953. The proposals made by the Government of India had been either turned down or side-tracked by Pakistan and there was no likelihood of that country coming to any settlement on the subject of evacuee property in the foreseeable future. Besides, the Interim Compensation Scheme could not be effectively implemented until the Government was in a position to transfer full ownership rights in respect of evacuee property. The Government of India could not, therefore, postpone any longer a final decision in the matter of compensation and necessary steps to implement that decision had to be taken.

Displaced Persons (Compensation and Rehabilitation) Act, 1954

Therefore, in May 1954, the Government of India decided to acquire the right, title and interest of evacuees in the properties left by them in India and to utilise these properties for the payment of compensation. The Displaced Persons (Compensation & Rehabilitation) Bill was presented to Parliament in May 1954. The Bill was considered by a Joint Select Committee of the Parliament in August 1954 and became an Act on 9th October, 1954. The Act empowered the Central Government to acquire evacuee property for a public purpose connected with the relief and rehabilitation of displaced persons and for the payment of compensation. It constituted a "Compensation Pool" for the purpose of paying compensation and rehabilitation grants. It provided for the setting up of a machinery for the implementation of the Compensation Scheme and for the appointment of Managing Officers for the custody, management and disposal of the Compensation Pool. In order to ensure that the views of displaced persons were given consideration, the Act also provided for the constitution of a Statutory Advisory Board to assist the Government in the smooth implementation of the Final Scheme. The office of the Chairman of the Board was held by persons of the

eminence of Dr. Bakshi Tek Chand and Shri Chandulal P. Parikh Shrimati Sucheta Kripalani, Dr. Anup Singh, Giani Gurmukh Singh Musafir, Pt. Thakur Das Bhargava, Shri R. K. Sidhwa, Lala Feroz Chand. Shri Jaspat Rai Kapur and Shri Jag Parvesh Chandra had been its Members from time to time.

Displaced Persons (Compensation and Rehabilitation) Rules, 1955

The Act dealt with the broad principles only and left the quantum and manner of payment of compensation and rehabilitation grants and the necessary details to be covered by rules to be framed by the Central Government. Accordingly, the Displaced Persons (Compensation & Rehabilitation) Rules were drafted by the Ministry of Rehabilitation. The rules were referred to the Statutory Advisory Board constituted under the Displaced Persons (Compensation & Rehabilitation) Act, 1954 for consideration. The Board discussed the provisions of the draft at length and tendered valuable advice. The Rules were further considered by the Conference of the Rehabilitation Ministers of the various States specially called for the purpose in April 1955. The Displaced Persons (Compensation & Rehabilitation) Rules, 1955 were promulgated on the 27th June, 1955. These were laid before the Parliament in September, 1955 as required under Section 40 of the Act and passed with some modifications. The Final Scheme thus replaced the Interim Scheme in September, 1955.

The Rules *Inter-alia* contain instructions as to the form and manner in which applications for compensation should be made, the circumstances in which and conditions subject to which evacuee property may be acquired, the scale of compensation, the manner and the extent to which public dues are to be deducted from compensation, the procedure for valuation of property and for the transfer of Government-built and evacuee properties to claimants against their claims; for the payment of rehabilitation grants in certain circumstances and for the calculation of compensation in kind or otherwise for land claims, rural claims and urban claims. The Rules also lay down the powers, functions and duties of Managing Officers and provide for matters such as appeals and revisions etc. The Rules also prescribe the procedure for the sale of property in the Compensation Pool. Before evacuee property can be disposed of under the Act, such property has to be acquired and such acquisition has the effect of transferring the property to the Compensation Pool. Such acquisition also extinguishes the right of the evacuee owners and such rights vest in the Government until they are transferred to the new owners of property.

CHAPTER V

Salient features of the Final Compensation Scheme

The more important features of the Scheme are dealt with below:—

(a) Compensation Pool

For the purpose of payment of compensation and rehabilitation grants to displaced persons, a Compensation Pool was constituted under section 14 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954. This consists of—

- (a) all evacuee property acquired under section 12, including the sale proceeds of any such property and all profits and income accruing from such property;
- (b) such cash balances lying with the Custodian as may, by order of the Central Government, be transferred to the Compensation Pool;
- (c) such contributions, in any form whatsoever, as may be made to the Compensation Pool by the Central Government or any State Government;
- (d) such other assets as may be prescribed.

At the time of its constitution, the total assets of the Compensation Pool were estimated to be in the neighbourhood of Rs. 185 crores. Of this amount, Rs. 100 crores represented the value of evacuee property including the accumulated rentals of such properties since 1947 which amounted to about Rs. 10 crores. The Government's contribution to the Pool was put at Rs. 85 crores which represented the expenditure incurred by the Central Government on construction of houses etc. either directly or through the States and other agencies, for the rehabilitation of displaced persons and on the grant of loans to them. The three important constituents of the Pool are thus:

- (i) Evacuee property;
- (ii) Government-built property; and
- (iii) Loans.

The position in respect of each of these is described in the succeeding paragraphs.

(i) Evacuee Property

The total number of urban immovable evacuee properties in India was 2·88 lakhs and according to the latest reports of valuation, their value is Rs. 79 crores. In addition, there were about 1900 industrial undertakings of the value of Rs. 3 crores. Excluding rents, the amount which these properties are likely to fetch is Rs. 78 crores. The income of rentals from these properties has, however, exceeded the earlier expectations. Another addition to the Pool is the receipts on account of sale proceeds of unidentified movable properties. The total income from this source is Rs. 2 crores. Besides, an income of about Rs. 6 crores is estimated from land in Punjab, Rajasthan, U.P. and other States.

Although the total collections from evacuee property are expected to be not less than Rs. 100 crores as originally assessed, the estimate of sale proceeds of urban evacuee property has come down from Rs. 90 to 78 crores. The shortfall of Rs. 12 crores can be attributed to the liberal and judicious policy followed by the Government of India in relation to evacuee nationals. Every effort was made to safeguard the interest of Muslim nationals both in the framing of the Evacuee Property Law as well as in its implementation. Further in May 1954, as soon as circumstances permitted, this law was abrogated unilaterally without waiting for Pakistan to do likewise, even though the law was initially enforced with the common agreement of the two Governments for meeting identical situations in the two countries.

After abrogation, the evacuee property law ceased to operate in regard to cases in which the cause of action arose after May 7, 1954. Even in regard to cases in which such cause had arisen before that date, it was laid down that proceedings for declaring persons or properties as evacuee should be taken by April 8, 1955. Thus, after that date no fresh notices could be issued even in respect of old cases.

In addition to freezing the problem of evacuee property in 1954, the Rehabilitation Ministry have also followed a very liberal policy in the matter of restoring the properties of evacuees who had gone to Pakistan but had returned to India before certain specified dates. After partition, the Meos of Gurgaon, Alwar and Bharatpur districts migrated *en masse* to Pakistan, but a large majority of them returned to India before October 1949. All those Meos, about 1·5 lakh, were exempted as a class from the operation of the evacuee property law and their properties comprising agricultural land and houses have been restored to them.

Similarly, in pursuance of the Nehru-Liaquat Pact of April 8, 1950, all Muslim migrants from Uttar Pradesh who had left for West Pakistan between February 1, 1950 and May 31, 1950 were taken back and their properties were restored to them.

Special measures were also taken to speedily dispose of all the applications for restoration of property received under section 16 and properties of the value of over Rs. 3.00 crores have so far been restored in 4,500 cases. Thus including the properties restored to Meos and the 1950 migrants from Uttar Pradesh, the total value of the properties released in favour of Muslims would be about Rs. 10 crores.

Trust properties of Muslim migrants, which also vested in Custodians, were to be managed by the Custodians under the provisions of Section II(i) of the Evacuee Property Act till such time as new trustees were appointed by the Civil Courts. With a view to expediting the appointment of fresh trustees, the Government of India took special powers by amending Section 11 of the Evacuee Property Act to appoint fresh trustees of evacuee trust properties. As a result of this measure, the trust properties have been released in all States excepting Punjab, where due to the mass migration of Muslims, suitable mutawallis were not available at most of the places.

The properties of the Wakf-Alul-Aulad trusts also vested in the Custodians on the migration of their mutawallis or beneficiaries. In a large number of cases, while some of the beneficiaries migrated to Pakistan, others remained in India with the result that the evacuee and non-evacuee interests were inter-mixed. However, taking into consideration that there is an element of charity in these Wakfs, though nominal in many cases, it has been decided to relinquish the evacuee beneficiaries interest in these trusts, which vested in the Custodian, and to release the entire property in favour of non-evacuee beneficiaries. This would mean relinquishment of evacuee interest of the value of several lakhs of rupees. Mostly as a result of the above measures and concessions, the estimate of sale proceeds of urban evacuee properties has decreased by Rs. 12 crores.

(ii) Government-Built Property

The second component of the Compensation Pool is Government-built property in various colonies/townships established either by the Central Government or by the State Governments. These colonies are inhabited almost exclusively by displaced persons. The total number of houses/tenements built by Government in such colonies is 1,66,046 and that by the displaced persons with the assist-

ance of Government, 26,668. In addition to houses and tenements, 28,396 shops and stalls were also constructed. The total number of residential units/shops constructed for and by the displaced persons from West Pakistan is thus 2,21,110.

The construction programme was mostly completed by the end of the First Plan period i.e. 1955-56. Development works which were undertaken simultaneously in all the new colonies, however, continued beyond 1955-56 and have by now been mostly completed.

Of the total of 2,21,110 residential units etc., the highest number viz., 59,000 were provided in Delhi. Punjab comes next with 50,000. Then follow Maharashtra and Gujarat 49,000 and U.P. 27,959. The total expenditure incurred on housing schemes in the Western Region is Rs. 58 crores of which Rs. 20 crores represent the cost of works executed direct by the Central Government (mostly in Delhi) and the remaining through the State Governments or to a small extent by way of granting housing loans to displaced persons.

(iii) Loans

Under the general schemes sanctioned by the Ministry of Rehabilitation for rehabilitation of displaced persons from West Pakistan, small urban, educational and rural loans were advanced to the displaced persons through the agency of the State Governments and in Centrally administered areas directly by the Central Government. These loans were advanced to the displaced persons to help them to

- (i) settle in trade, business etc.;
- (ii) prosecute their studies in India and in some cases even abroad; and
- (iii) resettle on land.

The total amount of loans advanced under the urban loans and educational schemes is Rs. 15 crores and that under the rural loans scheme, Rs. 9 crores. The loans due from claimant loanees are recoverable from the compensation due to them. Persons having no claims are required to repay them according to the stipulated terms but as a concession to them, the Government have remitted small urban loans up to a limit of Rs. 300. All educational loans irrespective of the amount given to such persons for studies in India have also been remitted. Similarly, Government have remitted food loans granted to non-claimant displaced persons settled on land for the purchase of food and fodder etc. The total financial implication of all these concessions is about Rs. 1.61 crores.

(b) Scale of Payment

Section 8 of the Act empowered the Central Government to frame rules laying down the scales according to which compensation is to be paid to different classes of displaced persons. These scales are prescribed in rule 16 of the Rules. The proportion of compensation payable against the amount of the verified claims was raised as compared to the Interim Scheme. The scale was devised to pay proportionately more for smaller claims and less for the bigger claims. The compensation payable includes an element of rehabilitation grant which represents Government's contribution to the Compensation Pool, the compensation proper being confined to the utilisation of the evacuee property in India. Rehabilitation grant is not admissible to those whose verified claims exceed Rs. 50,000. Under the final scale, persons with small claims i.e. up to Rs. 2,000 get compensation equal to 66.6% of their verified claims, those with claims between Rs. 2,000 and 5,000 from 66 to 51%, those between Rs. 5,000 and Rs. 10,000 from 51 to 41%, those between Rs. 10,000 and Rs. 20,000 from 39 to 33%, those between Rs. 20,000 and Rs. 50,000 from 33 to 20% and those between Rs. 50,000 and 1 lakh 20%. Thereafter the percentage decreases progressively to 11.11% on verified claims of Rs. 18 lakhs on which Rs. 2 lakh compensation is payable. No one is entitled to compensation more than Rs. 2 lakhs irrespective of the value of his verified claim. No person is paid compensation in cash exceeding Rs. 8,000.

(c) Machinery for the Payment of Compensation

To deal with the vast and complex problem of paying compensation to hundreds of thousands of claimants, an Organisation known as the Settlement Organisation had been set up. It is headed by a Chief Settlement Commissioner who has a number of Regional Settlement Commissioners, Settlement Commissioners and Settlement Officers etc. under his control. Regional Settlement Commissioners are in direct charge of the payment of compensation in the various States in which they have jurisdiction. Initially there were 5 Regional Settlement Commissioners but the number was increased to 10 in 1955. Due to shrinkage in work, some of the regions have been amalgamated and the number of regions at present stands at 7. Their offices are at Delhi, Bombay, Jullundur, Jaipur, Lucknow, Indore and Patna.

(d) Procedure for the Payment of Compensation

The payment of compensation involves a detailed procedure. All payment is based on verified claims which are centralized and kept in a separate Branch in the office of the Chief Settlement Commis-

sioner. Each of the nearly 3·90 lakh claims is properly indexed and registered in the Headquarters Record Room. Claimants were required to file their compensation applications in duplicate. One copy was sent to the Central Office so that the assessment value might be checked up. The Settlement Officer to whom the application is submitted is responsible for verifying the public dues. These public dues include the arrears of rent for Government-built or evacuee properties and outstanding balances of loans. The Regional Settlement Commissioner receives one copy of the application from the Settlement Officer with his report on public dues and the second copy, the assessed value of the claim duly checked up, from the Central Office at Delhi. He then calculates the nett compensation. Thereafter the case is passed on to the Pay & Accounts Officer. Where payment is to be made in cash, a cheque or draft is issued and the case is closed. Where payment is to be made in the form of property, the procedure is still more detailed and includes meticulous valuation of the property concerned, the adjustment of the price against the nett compensation due after deduction of public dues and, if necessary, the calculation of instalments of whatever balance is due from the claimants. Proper care has to be exercised to ensure that all public dues and occupation of any Government-built or evacuee property are taken into account before paying compensation.

(e) Form and Manner of Payment of Compensation

When claims were invited from displaced persons for immovable property left in Pakistan, the intention was that compensation would be paid to them out of the evacuee property left behind by Muslims who had migrated from India. Subsequently, when it was realised that against the total amount of verified claims of Rs. 500 crores, evacuee property of the value of Rs. 100 crores only was available, the Government decided to supplement the Compensation Pool by Rs. 82 crores by contributing to it the Government-built property which had been constructed for the rehabilitation of displaced persons and the amount of rehabilitation loans advanced to them.

All payments were supposed to be made out of the Compensation Pool. The assets of the Pool which consisted of loans and properties—mostly of properties—could not, however, be quickly converted into liquid cash. Therefore, payment of compensation had, in the majority of the cases, to be made in the form of property i.e., in the form of urban houses, rural houses and/or agricultural lands. Since however, there were certain categories of claimants who were in urgent need of cash assistance and to whom payment of compensation in the shape of property would have caused undue hardship,

the Ministry of Rehabilitation had to approach the Finance Ministry to augment the cash resources of the Pool by making advances out of General Revenues. For the same reason, section 8 of the Act authorised the Chief Settlement Commissioner to make such payments in any one of the following forms or partly in one and partly in any other form, namely:

- (a) in cash;
- (b) in Government bonds;
- (c) by allotment or sale to the displaced persons of any property from the Compensation Pool;
- (d) by transfer of shares and debentures in any company or corporation; and
- (e) in such other form as may be prescribed.

The maximum amount payable in cash to priority claimants was Rs. 8,000. The Interim Scheme provided particularly for the payment of compensation to such claimants who were old and infirm, widows, persons in receipt of maintenance allowance or living in homes and infirmaries or on doles. Subsequently, certain other classes of claimants were included in this list. When the final Scheme for compensation was introduced in 1955, the question of priorities was reviewed and the following classes of claimants were placed in priority categories:—

- (i) maintenance allowance grantees;
- (ii) inmates of homes and infirmaries;
- (iii) cash dolees outside homes and infirmaries;
- (iv) widows having verified claims in their own names;
- (v) other widows with claims in their own names (fresh category of claimants who became widows subsequently)
- (vi) minors including the minor cosharers;
- (vii) T.B. Patients; and
- (viii) disabled persons (blind and crippled).

In addition to these categories which were announced when the final Scheme came into operation, the following categories were included in the priority categories subsequently:—

- (i) persons having verified claims upto Rs. 10,000;
- (ii) persons suffering from cancer;
- (iii) widows having claims originally in the names of their husbands who died subsequently;
- (iv) old persons above 65 years of age;
- (v) mental patients;
- (vi) displaced persons whose children were studying in foreign countries;
- (vii) displaced persons whose children were studying in the Engineering or Technological Institutions in India;
- (viii) R.A.F. loanees;
- (ix) displaced persons whose dependents were suffering from mental diseases;
- (x) displaced persons whose children were studying in medical colleges or were cadets in N.D.A.; and
- (xi) agricultural land claimants entitled to payment in cash under rule 54(1).

In fixing these categories, the sole consideration was the need of the claimants, the disability from which they suffered and their vulnerability.

When in 1957, the general financial condition of the country became more acute, the Rehabilitation Ministry along with other Ministries was asked to review its expenditure so as to effect economies. Since cash payments to displaced persons were being made out of funds provided by the Finance Ministry from the General Revenues, it was inevitable that this aspect of the payment of compensation should come under review.

The scheme of payment in cash upto Rs. 8,000 to persons falling under the priority categories was, therefore, revised. It was decided to pay compensation partly in cash and partly in National Plan Saving Certificates to persons who otherwise would have been paid in cash upto a limit of Rs. 8,000. The new revised scheme envisaged a limited payment in cash only to certain categories of persons.

Only claimants in the categories of T.B. and Cancer patients, disabled persons and mentally affected persons were to continue to receive payment in cash upto the maximum limit of Rs. 8,000. Persons with verified claims upto Rs. 10,000 were to be paid upto

Rs. 1,000 in cash and the balance, if any, in the form of National Plan Saving Certificates. Similarly, persons who had been paid interim compensation and who had now to be paid the balance of the compensation due to them on the final scales were to be paid this balance in cash upto a maximum of Rs. 1,000. The same was the position in the case of other claimants who were admitted to priorities before the 31st January, 1957. The entire amount payable by way of marginal adjustments to claimants to whom properties were transferred either by allotment or through public auction and who were hitherto entitled to cash payment, was to be paid in the form of National Plan Saving Certificates. Payment of compensation was also authorised to be made in the form of U.P., Bihar and Orissa Zamindari Abolition Bonds.

(f) Disposal of Properties

(i) *By Allotment.*—It has been mentioned earlier that the total amount available in the Compensation Pool was estimated to be about Rs. 182 crores. Out of this, a major part viz., Rs. 158 crores consisted of acquired evacuee property and Government—built property. Normally all these properties should have been sold in order to realise cash for payment of compensation to displaced persons. Taking into consideration, however, that most of these properties were in the occupation of displaced persons to whom it would have been a great hardship if they were to be evicted from such properties, it was provided in the Rules that all residential houses and shops valued at Rs. 10,000 or less which were occupied by displaced persons might be transferred to such occupants, whether claimants or non-claimants. So far as the claimants were concerned, the price of the properties was to be adjusted against the compensation due to them. If the price was not fully covered by the compensation due, the balance could be paid either in one lump sum or in instalments spread over a period not exceeding 4 years—subsequently increased to 7 years. Non-claimant displaced persons were also permitted to become owners of the allotable properties in their occupation by making an initial deposit of 20% and paying the balance in instalments spread over a period of 7 years. The principle of causing minimum dislocation to displaced persons was extended to industrial undertakings also. Such properties of the value of Rs. 50,000 or less were to be transferred to the sitting lessees if they were displaced persons and the price recovered from their compensation or in cash.

It was further decided that where an allotable property was transferred to a claimant displaced person, his liability to pay rent would cease from certain specified dates, according to the date of

filing the compensation applications e.g., 1st November, 1953, 1st November, 1954, and 1st October, 1955, etc. Displaced persons who had applied for rehabilitation grants under rule 95 or 96 of the Rules, were not to be charged rent with effect from the 1st January, 1956. Provision had also been made for the cessation of rent in the case of non-claimants. In their case, it was decided that no rent would be charged with effect from 1st October, 1955, provided the initial deposit was made before the prescribed date.

(ii) *By Sale.*—The saleable section of the Pool was comparatively small and was confined to properties of the value of over Rs. 10,000 in the case of residential houses and shops and over Rs. 50,000 in the case of industrial undertakings, and to properties of any value if vacant or occupied by non-displaced persons. The Rules lay down a detailed procedure for the sale of properties in the Compensation Pool. The purchasers of properties in auction were required to make a deposit of earnest money not exceeding 10 per cent. of their bid at the time of auction. In the case of claimant displaced persons, however, the Rules have been suitably amended to dispense with their having to make this deposit in cash and instead an indemnity bond is accepted from them empowering the Government to recover the amount of the earnest money from their compensation, if necessary. The balance of the price has to be paid by the auction purchaser within 15 days of the acceptance of the bid. The purchaser may have the price of the property adjusted against the compensation due to him or to any other claimant whom he may wish to associate with him in the purchase. It has also been provided that where compensation of more than one person is utilised for the payment of the price of the property and if it is agreed in writing by all concerned that the sale certificate may be made out in the name of the auction purchaser only, the sale certificate can be so made out in his name.

Claimants who were not entitled to cash payment of compensation or whose claims could not be fully satisfied by cash compensation payable to them, could purchase property from the Compensation Pool in public auction. Purchase of properties was a method of cashing claims immediately and it was available to all classes of claimants. Upto the 31st March, 1961, Government-built property of the value of Rs. 10.59 crores and acquired evacuee property of the value of Rs. 53.28 crores had been sold. Properties worth only Rs. 8.23 crores were sold for cash and the balance against verified claims.

(g) Valuation of Properties

Properties which were allotable have necessarily to be meticulously evaluated before they are transferred to displaced persons. In

the case of saleable properties, it is possible to fix the reserve price without such meticulous evaluation except where the value of the property is nearabout the allotable limit. In the case of allotable Government properties, the value is determined having regard to the market value of the site and the cost of the superstructure.

The value of an allotable acquired evacuee property is determined having regard, *inter-alia* to all or any of the following methods:—

- (a) the amount for which the property was assessed for the purpose of municipal tax during the year in which the date of acquisition falls;
- (b) the annual rental income of the property;
- (c) the sales of similar or contiguous properties during the preceding three years;
- (d) the present market value of the site and the present value of the evacuee building and in the case of industrial concern, the value of the machinery.

A very large number of claimants have received compensation in the form of transfer of the allotable properties occupied by them.

CHAPTER VI

Rehabilitation Grants

The whole scheme of payment of compensation revolves round the "verified claim". It appeared, however, that when claims for immovable property left in West Pakistan were invited and verified under the Displaced Persons (Claims) Act, 1950, some displaced persons could not take advantage of it either because they had not by then come to India from West Pakistan, or because they could not file claims for reasons beyond their control. Provision was accordingly made in the Rules (Rules 95 and 96) to pay rehabilitation grants to such displaced persons in lieu of property left behind by them. In the case of displaced persons who arrived in India after the 31st July, 1952 and for that reason could not file a claim under the 1950 Act, it had been laid down in the Rules that rehabilitation grants would be paid to them on the same scale as compensation (including rehabilitation grant, if any) to displaced persons having verified claims. In the case of persons falling in the second category, it was later on decided that they would also be paid on the same scale.

In all about 23,000 applications were registered under both the categories. Out of these, about 14,000 have been accepted for payment and out of these over 12,000 have already been paid.

Claims for rural buildings filed by some displaced persons who had been allotted land also had been rejected as a rural house is normally allotted as an appendage to the land. It was provided in rule 97 that rehabilitation grants may be paid to such of those displaced persons who had been allotted less than 4 acres of agricultural land but who had not accepted the allotment or the allotment had been cancelled. A further condition was that such persons should not hold a verified claim in respect of any other kind of property.

Some displaced persons who had been allotted 2 standard acres or less in the States of Punjab and Pepsu became entitled under rule 97-A to a rehabilitation grant @ Rs. 450/- per standard acre of the area allotted provided they had not accepted such allotment or the allotment had been cancelled.

Rehabilitation grants under rules 97 and 97-A are payable @ Rs. 450/- per standard acre of the area allotted. The total num-

ber of applicants under the former category was 6,000 and the latter 400. The total amount payable was about Rs. 1 crore in the former case and about Rs. 2 lakhs under rule 97-A.

CHAPTER VII

Compensation for Rural Lands

In Punjab

The scheme for the payment of compensation based on the Displaced Persons (Compensation and Rehabilitation) Act, 1954 was really initiated in 1947 itself when the Ministry of Rehabilitation was set up to deal with the problem which arose in consequence of the large scale migration of population from Pakistan to India. The grant of compensation started with the rural population and with the quasi-permanent allotment of evacuee agricultural lands in the Punjab to Punjabi land owners from West Punjab and to those of Punjabi extraction from other parts of West Pakistan. This scheme of allotment was worked out after detailed examination of the proprietary and other rights of individual land owners in West Pakistan. The claims of such persons were registered under enactments of the Punjab and erstwhile Pepsu Governments promulgated in 1949. The land available for allotment in the Punjab and erstwhile Pepsu was 24·49 lakh standard acres as against 39·35 lakh standard acres abandoned in West Pakistan by the claimants—a shortage of 38%. A system of graded cuts was, therefore, introduced according to which the smaller land owners got a larger proportion of their original holdings than the bigger land owners. Allotment on quasi-permanent basis was made to 4·77 lakh families involving an area of 23·55 lakh standard acres. The figure of 4·77 lakh included 1·15 lakh mortgagees. Later on in 1954, non-Punjabi land owners from West Pakistan who were residing in Punjab and the erstwhile Pepsu State were also made eligible for allotment of land in Punjab.

Section 10 of the Act regularised these allotments and made it possible for the quasi-permanent system of allotment to be made permanent. A special machinery was accordingly set up for the granting of Sanads conferring proprietary rights on the allottees. Upto the 31st May, 1961, permanent rights had been conferred on 2·71 lakh allottees over an area of 19·64 lakh standard acres. 89,577 rural houses had also been transferred in permanent ownership to the allottees. Land of the value of about Rs. 89 crores was thus transferred permanently to the allottees. At the time of granting Sanads for permanent transfer, public dues amounting to about Rs. 52 lakhs recoverable from the allottees were adjusted against their compensation while a sum of about Rs. 1·76 crores was made a charge on the lands and houses transferred.

A major part of the work relating to the grant of permanent rights has since been completed. The remaining allottees do not appear to be interested in securing permanent rights either on account of the small areas of their allotments or because they have taken to other avocations in urban areas. Many of them have migrated from their original addresses to other places and it is, therefore, not possible even to contact them. The organisation set up for dealing with the work of transferring rights has already been wound up except for a skeleton staff to look after the residual work and appeals.

Outside Punjab

Rule 51 prescribes that the scale for allotment of land as compensation in respect of a verified claim for agricultural land would be the same as in the quasi-permanent allotment scheme in the State of Punjab. Outside the Punjab, 58,000 displaced agriculturist families mostly from areas other than West Punjab had been settled on about 5.63 lakh acres of evacuee as well as Government owned land. Unlike in the Punjab, these allotments were made purely from the rehabilitation point of view, to tillers, whether they owned land in West Pakistan or not. 34,000 families had no land in Pakistan. According to rule 63, these persons could become owners of the lands allotted to them by paying an initial instalment of 10% and the balance in 15 years. They are now being allowed to pay the price even by adjustment against statements of account issued to others. So far, 12,416 persons have paid the first instalment amounting to about Rs. 1.09 crores. The allotments of those persons who hold verified claims for agricultural land are being regularised by adjusting the cost of the land against the compensation due on their land claims. Upto 31st August, 1961, 15,745 claimants were allotted 42,605 standard acres, 1,82,453 ordinary acres of land and groves worth Rs. 36,50,844.

CHAPTER VIII

Concessions given in the framing & implementation of the final Compensation Scheme

(a) To Displaced Persons

The grant of compensation to displaced persons in respect of immovable properties left by them in Pakistan was in itself an extremely bold and unprecedented venture on the part of the Government. The Government was actuated by the consideration that rehabilitation of the displaced persons would not be complete until they were suitably compensated for the properties lost by them in Pakistan. Because of this human and sympathetic approach, the Compensation Scheme was kept under constant review and a number of concessions were granted to the displaced persons from time to time. Some of the more important of these are recapitulated below:—

(1) The Pool consisted mostly of evacuee and Government built properties and its cash resources were extremely limited. Nevertheless deserving categories of displaced persons were accorded priority in the matter of payment of compensation in cash upto the maximum of Rs. 8,000. For this purpose, a huge advance which at one time amounted to Rs. 18 crores, had to be taken from General Revenues to pay this vulnerable section of the displaced persons. Out of a total payment of Rs. 164 crores upto 30th September, 1961, nearly Rs. 62 crores had been paid in cash.

(2) Under the Interim Compensation Scheme where property in Pakistan was held jointly by co-parceners, compensation in respect of such property was to be paid to them *pro-rata*. Under the Compensation Rules, subject to certain conditions, compensation in the case of a joint Hindu family is to be computed by dividing the verified claim into two or three equal shares according as the joint family consists of two, three or four or more members entitled to claim partition. Members of joint families have thus got more compensation than what they would have got if compensation had been calculated on the total value of the verified claim.

(3) Under the Interim Compensation Scheme claims for rural buildings were halved while calculating compensation. Later on, such claims were treated for the full value even when satisfied in cash or by transfer of property or by adjustment of public dues.

(4) The limit of allotability of property which was initially fixed at Rs. 5,000 was subsequently raised to Rs. 10,000.

(5) The value of a standard acre of land which had been previously fixed at Rs. 350/- was raised to Rs. 450/- for the first 50 acres of the compensation due.

(6) Non-claimant displaced persons in authorised occupation of allotable Government-built and evacuee properties were allowed to become owners of the properties in their occupation on the same basis as in the case of claimants, viz., an initial cash instalment of 20% of the price followed by 7 equal annual instalments. Arrears of rent could also be paid likewise.

(7) To enable displaced persons from Pakistan-held areas of Jammu & Kashmir to own allotable properties in their occupation, it was decided that they should be treated at par with the non-claimant displaced persons from West Pakistan in the matter of purchase of the properties in the Compensation Pool.

(8) Small claimants, non-claimants and even non-displaced persons have been allowed the facility of associating the claims of others for payment of the price of the Pool properties, public dues and the price of the evacuee share in the composite properties.

(9) In the case of claimants, interest on urban loans granted to them was remitted from the first day of the month following the month in which these displaced persons filed their compensation applications. This concession was extended to non-claimant loanees who got their loans adjusted against the claims of the members of their family. In the case of loanees who had applied for rehabilitation grants, interest was remitted from 1-1-56.

(10) In the case of loans advanced by the Rehabilitation Finance Administration to displaced persons having verified claims, interest was remitted from 1-1-56.

(11) According to the quasi-permanent allotment scheme in the Punjab, displaced persons could be provided houses as appurtenant to the land only in the rural areas. Some of the allottees, however, occupied urban evacuee houses in the adjoining towns which could not obviously be transferred to them free as appendages to the land. To avoid their displacement, it was decided that the urban houses in their occupation could be transferred to them on payment of reserve price by giving rebate equal to the value of the houses to which they were entitled in the rural areas.

(12) According to the instructions in force, displaced persons who had been settled on evacuee agricultural land and who were entitled to allotment of houses could retain only one house and the excess number of houses were required to be surrendered. Keeping, however, in view that the houses had remained in the occupation of the allottees for a number of years and they might have made improvements therein, it was decided in 1960 that instead of cancelling their allotments, whether locals or displaced persons, might be allowed to purchase the houses in their occupation on payment of the reserve price.

(13) Under the quasi-permanent land allotment scheme in Punjab, it was noticed that in some cases, excess allotments had been obtained by the displaced persons. Considering, however, that these persons had been in occupation of the land for so many years and might have made improvements to it, it was decided in 1960 that henceforth excess allotment of land might be allowed to be retained by the allottees on their paying the price irrespective of its area.

(14) Evacuee urban agricultural lands in the Punjab and in the erstwhile Pepsu were previously given temporarily on lease to displaced persons who had left such lands in West Punjab. The leases were renewed from time to time. There had been demands from those displaced lessees that they should be transferred to them permanently. In order to avoid hardship to displaced persons in occupation of these lands, it was decided to treat them in the same manner as claimants of other urban property from West Pakistan. In accordance with this decision, urban agricultural plots of the value of Rs. 10,000 and less were transferable at the reserve price subject to certain conditions.

(15) Section 6 of the Act provides for relief to certain banking companies mentioned in the schedule attached to that Act. Initially only 17 such companies mentioned in the schedule were entitled to this relief. As a result of representations from other banking companies, it was decided to extend this concession to 10 more companies.

(b) To Harijans & Backward Classes:

Due to their poor economic and financial condition, Harijans and Backward Classes have been treated very liberally under the Compensation Scheme. Certain benefits have been allowed to them which are not available even to displaced persons. It has been decided that allotable evacuee houses in the authorised occupation of even non-displaced Scheduled Castes and Backward Class families may be transferred to them at their reserve price, 20% of which is recoverable in cash as initial instalment and the balance

in seven equated annual instalments. Similarly, a special concession for the payment of arrears of rent in instalments has been given to Harijan occupants of evacuee property both displaced and non-displaced. They can pay one month's arrears together with one month's current rent till the arrears are paid up. In Punjab about 50,000 rural houses valued at about Rs 1 crore are in the occupation of displaced Harijans and members of Scheduled Castes and Tribes. Under the Compensation Rules, houses can be transferred only at the reserve price but in view of the poor economic condition of these persons, it was decided to transfer these houses at the nominal rate of Rs. 20 per house and the site under them at Rs. 10 per site. This concession has cost the Government about Rs. 90 lakhs.

(c) To Muslims:

In the matter of the sale of evacuee properties in the predominantly Muslim areas in Delhi, the concessions which have been given to the Muslim occupants of these properties are not even available to the displaced persons. Such properties are offered to the Muslim occupants at reserve price irrespective of the fact whether their value is Rs. 10,000 or more. In the case of displaced persons only properties upto the value of Rs. 10,000 are offered at reserve price, while those of higher value are invariably sold by auction. The Muslim occupants can pay the price of the property in instalments, i.e. 20% in cash as first instalment and the balance in seven annual equated instalments in cash or by association of compensation claims. The relations of the occupants can also purchase the property provided they are residing with the occupants. In case the Muslim occupants do not wish to purchase the property, it is offered to some registered body of Muslims like the Jamiat-Ulemai-Hind. It can also be offered to any other Muslim provided he is nominated by the said body.

CHAPTER IX

Progress in the Implementation of the Compensation Scheme :

Under rule 3 of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955, where a displaced person in whose favour a claim was verified died before having been paid compensation, an application for compensation could be filed by his successors-in-interest. Similarly, under rule 19(B) where the members of a Joint family did not agree that the compensation payable to the family may be paid to the Karta of the family, such compensation could be claimed by each member of the family in accordance with his shares specified in the assessment order. Again under rule 20 where a claim related to a property left in West Pakistan which was owned by more than one claimant as co-owners, the unit for assessment of the compensation was the share of each co-owner and the compensation was payable in respect of each such share as if a claim in respect thereof had been filed and verified separately. For these reasons against 3,90,000 claims, the number of persons to whom compensation was payable came to 4,89,323 on 30th September, 1961. In addition, the number of admitted applications for rehabilitation grants under rules 95 and 96, on the same date was 13,994. Thus the total number of persons to whom payment had to be made was 5,03,317. Upto the end of September, 1961, the total number of claimants settled was 4,96,894. This number also includes 12,067 applicants for rehabilitation grants. Of the balance of 6,423 cases still to be settled, 1,927 were applicants for rehabilitation grants and 1,830 were those who had already been paid under the Interim Scheme but were to be paid the second instalment under the Final Scheme. The amount of compensation paid upto 30th September, 1961, to these 4,96,894 claimants is about Rs. 164 crores—Rs. 62 crores in cash, Rs. 78 crores by transfer of properties and Rs. 24 crores by adjustment of public dues. In addition, statements of account to the extent of Rs. 20 crores issued against the above claims had still to be utilised and adjusted on 1st October, 1961.

Out of 2.88 lakh acquired evacuee properties, the number of properties allotted or sold upto the end of March, 1961, was 2.24 lakhs. Similarly, out of 1.61 lakhs Government-built properties all but a small number of 22,000 properties had been disposed of. In Punjab, out of 3.66 lakhs persons to whom Sanads had to be issued, 2.70 lakhs had received them.

CHAPTER X

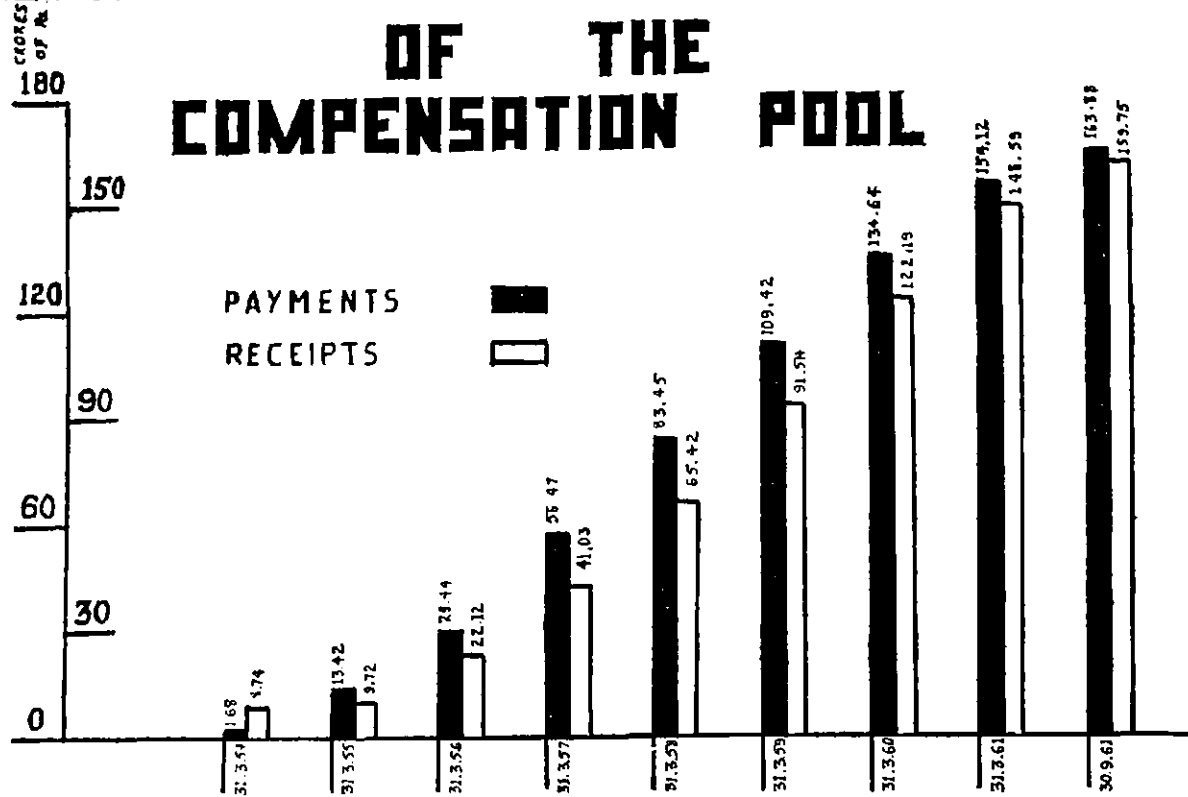
An Appraisal:

Mention has been made in Chapter V about the scale of payment prescribed under rule 16 of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955. Since compensation was to be paid out of the Compensation Pool and the size of the Compensation Pool was Rs. 182 crores, the scales were so calculated that the total amount payable in the form of compensation and rehabilitation grants should not exceed this figure. When the final Compensation Scheme was framed, it was estimated that it would involve an expenditure of about Rs. 170 crores. Subsequently however, on persistent demands from the displaced persons and their associations, two more concessions were granted to the displaced persons. Firstly, it was decided that the value of the rural claim will not be reduced to half as had been decided earlier. The second concession applied to such of the displaced persons who had been allotted agricultural lands upto 2 standard acres in the Punjab and erstwhile Pepsu State. It was decided that subject to certain conditions, any person who had been allotted 2 standard acres or less of agricultural land in the State of Punjab might be given rehabilitation grant @ Rs. 450 per standard acre of the area allotted to him. The financial implications of these decisions were estimated at between Rs. 11 to 13 crores.

The Compensation Scheme was thus estimated to involve an expenditure of about Rs. 181 to 183 crores against the estimated assets of Rs. 182 crores.

The position of the liabilities of the Pool has since been reviewed. Till the end of September, 1961, Rs. 164 crores had been paid to 4.97 lakh claimants. In addition, statements of account to the extent of Rs. 20 crores issued against the above claims had still to be utilised and adjusted in accounts. The amount to be paid to the remaining claimants as well as other payments due under rules 53, 54, 57, 97, and 97-A, of the Compensation Rules are estimated at Rs. 3 crores. The total liabilities are thus expected to be in the neighbourhood of Rs. 187 Crores.

PROGRESSIVE PAYMENTS & RECEIPTS OF THE COMPENSATION POOL



On the assets side, out of the total of Rs. 182 crores, the amount realised and accounted for upto 30th September, 1961, was Rs. 160 crores—Rs. 96 crores on account of evacuee property, Rs. 16 crores on account of property built by the Central Government direct and Rs. 48 crores on account of loans including housing loans.

Since the payments have already amounted to Rs. 164 crores and the receipts realised are only Rs. 160 crores, the deficit of Rs. 4 crores has been made up by an advance from the General Revenues. As early as 1955, it was realised that the disposal of the assets of the Compensation Pool would be a difficult and slow process. The recoveries of the price of allotable properties in the hands of non-claimants had to be spread over a number of years. So far as saleable properties were concerned, the Ministry had to be cautious and not throw them into the market all at once for fear of depressing the prices. On the other hand if the Compensation Scheme was to serve a useful purpose and help in the psychological and economic rehabilitation of displaced persons, it had to be implemented speedily. It was for this reason that the then Finance Minister, Shri C. D. Deshmukh, kindly agreed to an advance from General Revenues. The actual cash deficit at one time stood at Rs. 18 crores which was at the close of the year 1957-58. Thereafter, the cash receipts of the pool have been exceeding the cash expenditure with the result that the cash deficit was reduced year after year and at present stands at Rs. 4 crores.

The Scheme of compensation was the last stage in the rehabilitation of displaced persons from West Pakistan. The assessment of nearly 3.90 lakh claims involving property amounting to more than a million buildings, hearing of hundreds of thousands of claimants and their witnesses, disposal of more than half a million properties and finally the payment of compensation to a little over 5 lakh claimants was a colossal task. This task which at one stage looked very formidable has almost been accomplished. Barring about 6,423 claimants out of whom 1,830 are those who have already been paid a major part of their compensation under the Interim Scheme but have to be paid the second instalment under the Final Scheme, payment has been made to all of them. No doubt, a large number of statements of account have still to be liquidated but this is a matter which depends more on holders of statements of account than on the Government. The sooner the outstanding statements are tendered, against properties or in discharge of loans, the earlier this work will be completed. Every effort is being made to finish this item of work and it is hoped that this will also be completed within a year or so.

With the completion of the work of compensation, the process of economic recovery of displaced persons which started in 1947, will come to an end. One by one, in the midst of travail through which millions have lived and despite shortcomings, the major problems of the displaced persons have been resolved. The displaced persons can now be presumed to have been put on the normal footing on parity with other nationals of the country leading to the disappearance of all distinction between the two.



Record Room in the office of the Chief Claims Commissioner where verified claims of displaced persons were kept,